

## Summary of Ripley County 2014 Annual Adjustment Methodology

### **Method**

The sales comparison method using local market data was used to adjust the assessments in Ripley County for 2014. The annually adjusted values used in the 2014 ratio study were developed based on updated cost tables, land values and any changes in parcel characteristics discovered during 2013 / 2014 new construction field activities. The sales used for the 2014 annual adjustments were from March 2, 2012 to March 1, 2014.

The land base rates and neighborhood factors were examined in each neighborhood and property class. Neighborhoods with an insufficient number of sales were compared to significantly similar neighborhoods. The criteria for comparison were geographic location, similarity of land size and improvement type and age, and any other factors deemed relevant. Comparisons were also made between adjoining neighborhoods and townships to insure the continuity of land base rates and neighborhood factors.

Due to the lack of adequate paired sales or re-sales data, a reliable indication of overall market movement in Ripley County, solely as a function of time, cannot be reasonably supported for any property class. Therefore, no time adjustments have been developed or applied.

The DLGF's file "RIPLEY Sales Reconciliation 03-26-2014.xlsx" was added to the study as the "Sales Reconciliation" tab.

### **SDFID Conversion Issues**

Each and every one of the 285 sales in the "RIPLEY Sales Reconciliation 03-26-2014.xlsx" file have been reconciled with an explanation for each.

In 2012, Ripley County converted their CAMA system from Proval to INCama. The 2012 sales, and some of the 2013 sales, were imported from AS2 into INCama. Those 7-digit SDFID numbers from AS2 were placed in the "Unique Identifier" field of INCama. INCama also generated a unique 4-digit number for sales and placed it in the "Sales ID" field. This study used the 7-digit number in the "Unique Identifier" field in INCama if it was present to build the local SDFID number. If there was no data in the "Unique Identifier" field, then the 3-digit number from the "Sales ID" field was used to build the local SDFID. The sales file was unexpectedly exported using only the 3-digit number from the "Sales ID" field. Therefore, all of the "Vendor SDFID" numbers in the "RIPLEY Sales Reconciliation 03-26-2014.xlsx" contains only those SDFID numbers that were built from the data in the "Sales ID" field.

So, matching SDFIDs built in the "Sales ID" field from "RIPLEY Sales Reconciliation 03-26-2014.xlsx" with the SDFIDs in the "Formatted" tab of the study is without issue. However, the sales in the "RIPLEY Sales Reconciliation 03-26-2014.xlsx" file based on the 3-digit number from the "Sales ID" field will not match the SDFIDs built on the 7-

digit AS2 number used in this study and will require the use of the State Parcel Number to reconcile those.

This is a one-time occurrence, an anomaly as a result of transition from one CAMA to another and will not be an issue in future ratio studies.

**Industrial Improved Properties:**

There was 1 valid industrial sale occurring within the sales horizon for this study. It was included with the improved commercial sales data for analysis.

**Commercial Improved Properties:**

The time horizon was expanded to include sales occurring from March 2, 2011 to March 1, 2014 for this study. There were 5 valid improved commercial sales countywide whose data were combined with the single improved industrial property sale for combined analysis. Due to the low number of total sales, the Spearman Rank test was performed which showed no evidence of vertical inequity.

**Commercial and Industrial Land:**

The time horizon was expanded to include sales occurring from March 2, 2011 to March 1, 2014 for this study. There was only 1 valid vacant commercial sale that occurred during that time period. No commercial or industrial land appeals that might have provided appraisals containing market value indications were brought forward during that time. As a result, no changes or adjustments were made.

**Residential Properties:**

**VACANT:** With only 3 valid vacant residential sales, there were an insufficient number of sales to allow for a credible analysis. The appraisals presented during the time period of this study, for improved residential properties, failed to develop value using the cost approach which would have provided a separate indication of land for comparison. As a result, no changes or adjustments were made.

**IMPROVED:** Due to the limited number of valid sales in this property class, it was necessary to group all townships other than Adams, Johnson and Laughery in order to enhance the statistical reliability of the study. Due to the low number of total sales in Group 2, the Spearman Rank test was performed which showed no evidence of vertical inequity.